

17

Notice of Supplemental Finding of No Significant Impact

TO ALL INTERESTED GOVERNMENTAL AGENCIES AND PUBLIC GROUPS

RECEIVED

As required by state and federal rules for determining whether an Environmental Impact Statement is necessary, an environmental review has been performed on the proposed action below: APR 06 2015

Project: Lockwood Water and Sewer District Phase 2 Wastewater Collection System
Location: Lockwood, Montana
Project Number: C302238-01 (Wastewater project); EQ#15-1706
Total Project Cost: \$8,902,000
SRF Share: \$3,000,000 interim financing, \$2,800,000 long term financing, and \$200,000 loan forgiveness

WATERSSSIVE ENVIRONMENTAL
POLICY OFFICE

The Lockwood Water and Sewer District, through the Phase 2 Sewer Subdistrict Wastewater Preliminary Engineering Report 2010 and updated Design Reports, has identified the need to provide sewer collection systems to areas of the Lockwood District area currently served by individual on-site sewer treatment and disposal systems. As discussed in the 2012 Lockwood Environmental Assessment (EA), the proposed project involves the construction of a conventional gravity sewer collection system that will tie into the Lockwood Phase 1 collection system. The wastewater will receive treatment at the City of Billings Wastewater Treatment Plant. A Finding of No Significant Impact (FONSI) for this project was issued on November 27, 2012. The scope of the proposed sewer project is identical to the scope of the Lockwood Phase 2 project covered in the 2012 EA and FONSI other than the service area has been reduced in size. This FONSI is a supplement to the previously issued FONSI. The purpose of this supplement is to address, and publicly notice, recent changes in the proposed project boundary, project cost, and project funding for the Phase 2 sewer project.

Project Boundary:

In the fall of 2013 the residents in the District voted down the original proposed Phase 2 project. In the spring of 2014, the District Board hired a Public Query Consultant to identify areas of support for a project and hold numerous public meetings. A smaller revised Phase 2 project was recommended and the Board approved a process to authorize a resolution of Intent to Levy by a Special Assessment. The revised Phase 2 project map is available at the locations stated below. Approximately 43,000 lineal feet of gravity pipe and 140 manholes are proposed. The project will be built in two projects titled 2015-01 and 2015-02, and constructed in 2015 and 2016.

Project Funding:

During development of the revised Phase 2 District project the District was able to obtain additional grant/loan money to assist with funding the project. Federal, state, and local grant/loan programs will fund the project. The improvements are estimated to cost approximately \$8,902,000. The following funding sources and dollar amounts will be utilized for the revised Phase 2 project: Treasure State Endowment Program (TSEP) grant - \$750,000; Department of Natural Resources & Conservation (DNRC) grant - \$100,000; conventional SRF loan - \$2,800,000 (at 2.5 % interest rate for 30 years); SRF loan forgiveness - \$200,000; USDA Rural Development (RD) grant - \$1,890,380; USDA RD loan - \$3,000,000, a \$3,000 applicant contribution from Lockwood Water and Sewer District to meet USDA RD requirements and a Yellowstone County contribution of \$158,620. The SRF and RD loans will be paid off through an assessment cost of a maximum of approximately \$10,125 per property, and approximately \$46.00 to \$55.00 user cost per month to each landowner.

Except for these changes, all aspects and conclusions made in the 2012 Environmental Assessment remain accurate.

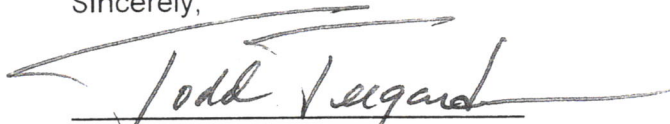
The environmental review record, including the 2012 Environmental Assessment and the original FONSI are available for public examination during normal working hours at the following locations:

Dept. of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, Montana 59620
Email: tteegarden@mt.gov

Lockwood Water and Sewer District
1644 Old Hardin Road
Billings Montana 29101
(406) 259-4120

Since the revisions discussed above are minor and do not cause any significant adverse environmental impacts, the MDEQ has concluded that the proposed project complies with the requirements of the National Environmental Policy Act (NEPA) and the Montana Environmental Policy Act (MEPA).

Sincerely,



Todd Teegarden, Bureau Chief
Technical & Financial Assistance Bureau
Planning Prevention & Assistance Division
Montana Department of Environmental Quality

LOCKWOOD PHASE 2 SEWER SUBDISTRICT

